

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

**In Re:** §  
W.R. GRACE & CO., et al § **Chapter 11**  
Debtors § **Jointly Administered**  
                                 § **Case No. 01-1139 (JJF)**

**FEE AUDITOR'S FINAL REPORT REGARDING  
FEE APPLICATION OF LEGAL ANALYSIS SYSTEMS, INC.  
FOR THE TENTH INTERIM PERIOD**

This is the final report of Warren H. Smith & Associates, acting in its capacity as fee auditor in the above-captioned bankruptcy proceedings, regarding the Application of Legal Analysis Systems, Inc. for the Tenth Interim Period (the "Application").

**BACKGROUND**

1. Legal Analysis Systems, Inc. ("LAS") was retained as asbestos-related bodily injury consultant to the Official Committee of Asbestos Personal Injury Claimants. In the Application, LAS seeks approval of fees totaling \$21,758.00 for its services from July 1, 2003, through September 30, 2003.

2. In conducting this audit and reaching the conclusions and recommendations contained herein, we reviewed in detail the Application in its entirety, including each of the time entries included in the exhibits to the Application, for compliance with Local Rule 2016-2 of the Local Rules of the United States Bankruptcy Court for the District of Delaware, Amended Effective February 1, 2001, and the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed Under 11 U.S.C. 330, Issued January 30, 1996, (the "Guidelines"), as well as for consistency with precedent established in the United States Bankruptcy Court for the District of Delaware, the United States District Court for the District of

Delaware, and the Third Circuit Court of Appeals. We served on LAS an initial report based on our review, and received a response from LAS, portions of which response are quoted herein.

## DISCUSSION

3. In our initial report, we noted that during the Application period Brelsford (\$200) and Relles (\$330) spent a total of .60 hour and \$133.00 on tasks that appear to qualify as noncompensable overhead. The time entries are provided below:

09/07/03	Brelsford / (28) Data Analysis	0.2	40.00
#6809	develop Peterson slide presentation: table titles, graphics, footnotes, pointsize	200.00	
09/08/03	Brelsford / (28) Data Analysis	0.3	60.00
#6812	develop Peterson slide presentation: bullet spacing, pointsize	200.00	
09/09/03	Relles / (28) Data Analysis	0.1	33.00
#6321	proofread various drafts	330.00	

Paragraph II.E.7. of the Guidelines provides that, “[Overhead] includes word processing, proofreading, secretarial and other clerical services....” We asked LAS to explain why an exception should be made for these charges. LAS responded as follows:

It is integral to our work styles to automate the document production process. We are frequently asked to experiment and test results based on alternative assumptions or based on updated data. We are also expected to respond very quickly to requests by our clients. Relles and Brelsford have developed utilities to produce required documents efficiently and inexpensively in order to reduce costs to the estate; they then modify these utilities as required to produce the analytic reports, demonstrative exhibits and other matters requested by our client. These are software modifications not clerical or secretarial tasks. We do not bill the estate for secretarial tasks or time.

We appreciate the response and offer no objection to these fees.

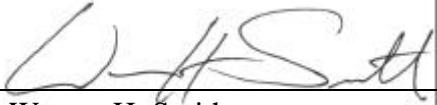
## CONCLUSION

4. Thus, we recommend approval of fees totaling \$21,758.00 for LAS’s services from July 1, 2003, through September 30, 2003.

Respectfully submitted,

**WARREN H. SMITH & ASSOCIATES**

By:



Warren H. Smith

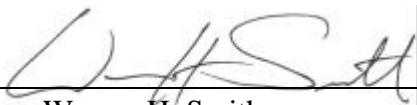
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**FEE AUDITOR**

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document has been served First Class United States mail to the attached service list on this 30<sup>th</sup> day of January, 2004.



Warren H. Smith

**SERVICE LIST**  
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